THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Net profits earned and the amount of Income tax paid by Rajshri Production will be known only after the income-tax return is field by the producer for which the due date is 31st December, 1995.

(c) Does not arise.

Indian Economic Reforms

4397. SHRI JAGESH DESAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the statement of the US Trade Representative, Mr Kantor, which appeared in the Times of India of the 14th January, 1995 that there was no guarantee that the Indian Economic Reforms would continue after the reversal of the ruling party in the recent elections; and

(b) if so, the reaction of Government and the steps taken to allay his fear?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) Economic reforms have brought significant improvement in all sections of the economy and need to be strengthened and sustained in the larger interest of the country.

Functioning of Exim Bank

4398. SHRI SYED SIBTEY RAZI: Will the Minister of FINANCE be pleased to state:

(a) whether the Export-Import Bank of India has signed an agreement with Morgan Grenfell and Co. Ltd. for a line of credit of Sterling 10 millions;

(b) if so, the details thereof;

(c) whether this credit pack will benefit the Indian Companies;

(d) if so, the details thereof and if not, the reasons therefor;

(e) whether this activity of Exim Bank will increase country's export also; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Export-Import Bank of India (Exim Bank) has reported that it has signed an agreement with Morgan Grenfell & Company Limited on March 15, 1995 for a line of credit of Pound Sterling (GBP) or US Dollars (USD) equivalent to GBP 10 million for financing import of eligible capital goods and related services from the UK. The details of the agreement, inter alia, include repayment in 10 equal consecutive semi-annual instalments and rate of interest of 62.5 basis points (bps) over GBP Libor or 57.5 bps over USD Libor.

(c) and (d) Exim Bank has reported that it would onlend the funds under this line to Indian companies to enable them to access eligible goods and services from the UK on competitive terms for modernisation, product upgradation, expansion or for setting up of new projects.

(e) and (f) Foreign currency resources mobilisation by Exim Bank constitutes part of the bank's composite strategy to assist exporters through competitive financing, advisory services and analytical research on markets and export products. The line of credit from Morgan Grenfell & Company Limited represents an additional source of foreign currency funding for Indian exporters and will assist them in enhacing their international competitiveness.